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STATUS OF WORK OF THE INFORMAL CONSULTATIVE GROUPS

Note by the Secretariat

Provides information on recent activities of the informal consultative groups and related maters.

Introduction

1. Document IDB.28/7 provided information as of March 2004 on the work of informal consultative groups on voluntary contributions and UNIDO membership, and on trade capacity-building. The present document updates that information. Activities of the informal advisory group on decentralization are covered in the documentation under agenda item 3 (c), including the recommendation of the group concerning the draft cooperation agreement with the United Nations Development Programme (IDB.29/9).

I. VOLUNTARY CONTRIBUTIONS AND UNIDO MEMBERSHIP

2. Since the departure from Vienna of the co-chairmen of the informal consultative group on voluntary contributions and UNIDO membership earlier this year, the group has not been reconstituted. Nonetheless, some developments can be reported with respect to efforts to increase the membership of the Organization. Secretariat activities with respect to voluntary contributions and payment of assessed contributions—both of which were issues considered by the group—are covered in documents IDB.29/4 and IDB.29/8.

3. Initial contacts with a number of Pacific Island countries as early as 2002 were reported in previous documents (IDB.26/14 and Corr.1, IDB.26/CRP.6, IDB.27/20). In continuation of these efforts, representatives of three Pacific Island countries (Marshall Islands, Samoa, Solomon Islands) were invited to a programme development meeting at UNIDO Headquarters from 26 to 28 April 2004. The objective was to develop concrete technical cooperation projects and programmes in the expectation that enhanced cooperation would lay the groundwork for these countries to accede to the Constitution of UNIDO. The representatives were also briefed on conditions for membership and related financial obligations. All representatives recognized the benefits of potential membership in UNIDO and acknowledged that they had gathered sufficient information to prepare a convincing justification to their respective authorities and to push forward the accession process.

4. As a follow-up to the April meeting, a programming mission was undertaken to the three countries in June/July 2004. Detailed discussions of numerous project ideas that had been identified in Vienna were held with government officials, and major potential donors were briefed. The membership issue was discussed with ministries of foreign affairs and of industry. In all three countries—Marshall Islands,

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Samoa, Solomon Islands—the Secretariat is following up planned submissions to the respective cabinets of ministers for accession to the UNIDO Constitution.

5. The Permanent Representative of Tuvalu to the United Nations (New York) visited Vienna in June 2004. On that occasion, a working lunch was held to discuss priority areas for assistance identified by a UNIDO mission in 2003 and Tuvalu's accession to the UNIDO Constitution, for which the process was considered likely to be completed towards the end of 2004.

II. TRADE CAPACITY-BUILDING

6. Representatives of UNIDO and the World Trade Organization (WTO) reported on 19 July 2004 to the informal consultative group on trade capacity-building on progress achieved in implementing the memorandum of understanding (MoU) signed at Cancun in September 2003. Under the chairmanship of Mr. Peter Jenkins (United Kingdom) participants were informed of developments with regard to the joint WTO-UNIDO technical cooperation programme in nine participating countries: Armenia, Bolivia, Cambodia, Cuba, Egypt, Ghana, Jordan, Kenya and Mauritania.

7. The Director-General of UNIDO reiterated the importance of the joint technical cooperation programme in (a) removing supply-side constraints; (b) developing systems to prove conformity with technical and regulatory requirements; and (c) enabling better integration into the multilateral trading system. He emphasized the effectiveness of the MoU in bringing about fast results based on knowledge gained on the countries' needs through previous and on-going UNIDO and WTO interventions.

8. The Deputy Director-General of WTO, Mr. Kipkorir Aly Azad Rana, reported on the progress achieved in the implementation of the MoU, both through UNIDO and WTO teams. He was encouraged by the fact that joint WTO-UNIDO kick-off seminars in participating countries had witnessed strong support from beneficiaries and donors. Once detailed country requirements had been identified, donors would be approached for financial support to implement the trade capacity-building programme in the participating countries.

9. There was a brief discussion of the idea put forward by UNIDO and the WTO of holding a donors conference to mobilize funding for the implementation of trade capacity-building programmes. The Chairman asked donor country representatives to consult capitals about it. It was suggested that a more promising approach might be for potential recipients to put funding requests to bilateral donors in-country. It was agreed that the issue merited further discussion.

10. The Chairman also asked developing countries to notify the group of any specific needs that might be met through the WTO-UNIDO process.

11. Furthermore, the group preliminarily discussed the concept of developing trade capacity-building metrics, i.e. means of measuring investments needed in this field. It is foreseen that the Secretariat will develop such metrics. If so, Member States will be apprised of progress.

III. ACTION REQUIRED OF THE BOARD

12. The Board may wish to take note of the present document.